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March 3, 2014

Marlene H. Dortch, Secretary
Federal Communications Commission
455 12 Street, SW
Washington, DC 20554

RE: WC Docket No. 10-90
Expression of Interest for Price Cap Areas

Expression of Interest

Background:

Hood Canal Communications (HCC) is expressing its interest to expand broadband service in rural Mason County, Washington.

Mason County encompasses the southern reach of Hood Canal in Western Washington State. The main town in this area is Shelton, a logging town that surrounds Hammersley Inlet. This County was built around timber logging. Due to its close proximity to water and dense forest land, this is a prime area for the timber industry. The Simpson Timber Company was formed in 1924 and has been a major employer in the County since that time. Unfortunately, the tough economic times of the last few years have hit this area very hard. The collapse of the housing market has devastated the timber industry that this area so heavily relies upon. According to the Mason County Economic Development Council, Simpson Timber Company laid off 53% of their employees between 2008 and 2009, and Mason County Forest Products downsized by 43% of their workforce. The effect of this economic hit has trickled down to the governmental agencies who are another one of the largest employers in the County. In this same time period Mason County downsized by 14% and the City of Shelton by 17%.

This County has a very high number of rural residents. In fact, over 80% of the current population lives in unincorporated areas. The residents of this County also have a much

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lower high school graduation and college degree rate than the State as a whole. The timber industry collapse and loss of jobs combined with the low educational background has escalated the unemployment rate to over 12%.

One program that has helped Mason County residents is that timber workers can receive funding to go back to school. Broadband service is critical for these kinds of programs. Getting a higher education base in the County will result in more job opportunities for its residents. Both Olympic College and the Shelton School District offer on-line courses for students to enroll in. In addition, many local employers are choosing to advertise their job openings online in an effort to save money. Broadband is not only critical to create skills to qualify for a job, it has also become the main tool used to find the job openings. Unfortunately, since so many of our County's residents live in unincorporated areas, the unavailability of broadband is still a major barrier for these programs and opportunities.

Hood Canal Communications is a long standing local business and places a high emphasis on community involvement. We believe that broadband service is essential for Mason County to bounce back from its economic woes. The timber industry may recover somewhat, but the majority of its workers will need to increase their education and skills in order to find viable employment opportunities in the future. Extension of broadband availability will be a major step in this direction.

Geographic Territory:

The particular area we are proposing to serve is called Lake Cushman; nestled in the base of the Olympic Mountain Range. This area does not have cellular coverage and with the dense forest, satellite broadband is limited. The Census Tract that we are proposing to serve is 9601. The FCC lists the Census block as an unserved area, qualifying for Connect America Funds. The ILEC provides limited service of 1.5meg DSL to only a small portion of the residents. This is because the copper T1's installed back in the late 60's feeding these DSL cabinets are not sufficient for today's demands. These cabinet sites have reached their maximum capacity and residents attempting to get broadband service are sometimes forced to share their DSL connection with neighbors using WIFI. This method is unreliable, speeds are slow and the frustration of residents, students and small business owners has had long term affects. Each year, HCC receives a multitude of requests to serve the residents of Lake Cushman.

Scope of the Project:

In total, this grant would provide broadband service to 114 permanent residents, 445 seasonal residents and the Skokomish Tribe. Broadband is provided at a price that is less than the competitors in neighboring areas. Within the proposed area there are many residents that need to telecommute or run home-based businesses and are struggling without the availability of broadband. Due to this high demand, HCC is estimating that 75% of the homes passed will sign up for broadband service. In addition, this will create one job within our company, as well as multiple jobs for the contractors that will be performing the construction, and will expand job opportunities for the business and residential customers in the upgrade areas.

Proposed Technology:

Hood Canal Communications has been in business since 1934 and has been deploying broadband in Mason County for many years. This project would extend its broadband, phone, and cable TV services an additional 18 miles within the County. HCC would deliver broadband via Fiber to the home in a Gigabit Passive Optical Network (GPON). Our current FTTH network uses Adtran for its Optical Terminal and Optical Node Termination. We have over 400 customers on our existing FTTH builds. Our current broadband services are 50meg for \$139.95, 35meg for \$99.95, 20meg for \$63.95 and 15meg for \$48.95 per month. The residents of Lake Cushman would benefit greatly from the proposed expansion.

Participating Entities:

The Skokomish Reservation would be a beneficiary of this grant funding. HCC successfully serves broadband to the Skokomish Tribe. In 2003 we upgraded our Hybrid Fiber Coax plant to provide broadband to the heart of the Reservation. This broadband stimulus funding would extend this service to many of their residents that live within Tribal boundaries and to a community park that they use to generate income for the Tribe.

Principles:

With respect to nondiscrimination and interconnection, HCC adheres to the principles contained in the FCC's Internet Policy Statement FFF 05-151. HCC has developed terms and conditions that do not differentiate between or discriminate against application providers or sources.

Funding:

If this project is funded Hood Canal Communications would need one time funding of \$2.1 million to construct and activate services to the residents and businesses of Lake Cushman in beautiful Mason County.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Oblizalo". The signature is fluid and cursive, with the first name "Mike" and last name "Oblizalo" clearly distinguishable.

Mike Oblizalo
Vice President
Hood Canal Communications